

**THE FIREFIGHTERS' RETIREMENT PLAN
OF THE CITY OF ST. LOUIS
Effective February 1, 2013**

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**SUMMARY PLAN DESCRIPTION
FOR FIREFIGHTERS**

Richard R. Frank, Secretary of the Board of Trustees

Prepared June, 2013

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SUMMARY PLAN DESCRIPTION

Introduction

Please keep in mind as you read this Summary Plan Description (SPD) that it is a summary of the Plan's main features, and not a detailed description of all provisions. The complete details of the Plan are described in the legal texts of the Retirement Plan, which are found in Ordinance 69245 as amended by Ordinance 69353, and codified in Ch. 4.19 of the Revised Code of the City of St. Louis. It should be noted that benefits that were being paid or accrued prior to February 1, 2013 (the "Effective Date" of the new Plan) shall continue to be paid under the terms and conditions of the Firemen's Retirement System (FRS), as codified in Ch. 4.18 of the Revised Code of the City of St. Louis (the "prior plan"). In the event of any discrepancies between this summary and the legal texts, the legal texts will govern at all times.

The Firefighters' Retirement Plan of the City of St. Louis is designed to provide a monthly allowance to you when you retire. The Firefighters' Retirement Plan provides you with several retirement and payment options, as well as death and disability benefits. The benefits you receive from The Firefighters Retirement Plan of the City of St. Louis are funded by a combination of Member Contributions, City Contributions and earnings.

The new Firefighters' Retirement Plan (FRP) is designed to coexist with the existing FRS in that benefits accrued prior to February 1, 2013 will continue to be paid by FRS while benefits based on salary and years of service accrued after that date will be paid by the FRP. If you are already retired and you are currently receiving a retirement payment you will see no change in benefits and your benefits will continue to be paid from the FRS in their entirety. If you are an active employee hired prior to February 1, 2013 you are considered a "Grandfathered Participant" and the impact of the new plan on your benefit is based on your accrued years of service. If you had accrued twenty (20) years or more of service prior to February 1, 2013, you will see no material change in benefits. Benefit payments upon retirement will be split between the two plans, with those based on salary and years of service accrued after February 1, 2013 to be paid by the FRP.

If you had fewer than twenty (20) years as of February 1, 2013, your benefit based on salary and years of service prior to that date will be paid by the FRS, as before. However subsequent benefit accruals based on increases in salary and years of service will be paid by the FRP. The major differences under the new FRP will be that your employee contributions will increase to 9% (pre-tax) and these contributions (made after February 1, 2013) will not be refundable at retirement. Also, benefits attributable to service after February 1, 2013 that begin before age fifty-five (55) will be actuarially reduced. Other

changes in benefits will affect only new participants or those participants incurring a disability after February 1, 2013.

If you have any questions about the Plan or your benefits, contact the Pension Office at the following address:

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E-mail: firefightersretirementplan@stlouis-mo.gov

GENERAL INFORMATION ABOUT YOUR PLAN

There is certain information you may need to know about your Plan. This general information is summarized below.

Name of Plan

The Firefighters' Retirement Plan of the City of St. Louis

4.19.010 Establishment of the Plan

Before February 1, 2013, pension and disability benefits were provided to the firefighters of the City of St. Louis by the Firemen's Retirement System of St. Louis (the "FRS"). The FRS was established on July 26, 1944, and was called the St. Louis Firemen's Pension Fund. A new Firemen's Retirement System was established June 17, 1959 and began operations after January 1, 1960. The assets and liabilities of the former Firemen's Pension Fund were merged into the new Firemen's Retirement System.

Benefit accruals under the FRS were frozen as of February 1, 2013. Benefits for Participants who retired before February 1, 2013 will continue to be paid from the FRS. Retirement benefits attributable to service rendered and compensation received for service as a firefighter for the City before February 1, 2013, and death and disability benefits for Participants who die or become disabled while in service as a firefighter for the City before February 1, 2013, will continue to be paid from the FRS.

The City of St. Louis established the new Firefighters' Retirement Plan (the "FRP"), as prescribed in Ordinance 69245 as amended by Ordinance 69353, pursuant to its authority under the home rule charter provisions of the Constitution of the State of Missouri, to provide retirement, disability and death benefits for the firefighters of the City and their covered dependents for service rendered and compensation received on and after February 1, 2013.

The new FRP provides a pension benefit attributable to service rendered and compensation received for service as a firefighter for the City on and after February 1, 2013. The FRP also provides death and disability benefits for Participants who die or become disabled while in service as a firefighter for the City on and after February 1, 2013. The FRP operates separately but simultaneously with FRS under a dual plan system effective as of February 1, 2013.

Employer

City of St. Louis, Missouri

The Board of Trustees

The Board of Trustees have the discretionary authority and responsibility to interpret and manage the Plan and exercise all fiduciary responsibilities with respect to the Plan in all matters relating to or affecting the funds provided for in the St. Louis City Revised Code Chapter 4.19, including, in addition to all other matters, all claims for benefits and refunds. Subject to the limitations of the Plan, the Board of Trustees may, from time to time, establish rules and regulations for the administration of funds created by the Plan, for the transaction of its business, and for the limitations of the time within which claims may be filed. (4.19.140 Administration – Duties of Trustees)

Plan Administrator

The Board of Trustees elects a chairman and engages actuarial and other services as required to transact the business of the Plan. All employees of the Plan are members of the City's Civil Service system and report to the City's Director of Personnel. The compensation of all employees of the Plan is governed by the City's Civil Service rules and regulations and City Charter provisions regarding Civil Service employees. All other expenses of the Board necessary for operation of the Plan shall be paid at such rates and amounts the Board of Trustees shall approve.

Type of Administration

The Board of Trustees, as Plan Administrator, has the discretionary authority and responsibility to interpret and manage the Plan and exercise all fiduciary responsibilities with respect to the Plan. The Plan Administrator has discretionary authority to construe the terms of the Plan and make determinations on questions that may affect your eligibility for benefits. The Plan Administrator may retain the services of attorney, accountants, actuaries, investments advisors and other professionals.

Plan Year

The plans fiscal records are maintained on the basis of a 12-month period beginning on October 1st and ending on September 30th.

Relevant Provisions of Local and State Laws

The Plan is set forth by Chapter 4.19 of the St. Louis City Revised Code, recently adopted by the Board of Aldermen and contained in Ordinance 69245 as amended by Ordinance 69353.

Custodian – City Treasurer

The City Treasurer is the custodian of the Plan's funds. All payments from the funds are made by the Treasurer only upon vouchers signed by persons designated by the Board of Trustees.

Actuary

An actuarial valuation of the plan is performed annually as required by ordinance. The valuation measures the funding status of the Plan and determines the contribution for the year.

Plan Definitions – 4.19.020

The terms listed below are key elements in understanding what your benefits are and how your benefits are determined.

“Accumulated Contributions” – The amount deducted from the bi-weekly salary of the Participant plus interest.

“Average Final Compensation” – The average monthly compensation of the Participant during his last five years of covered employment. For a Grandfathered Participant, the final average compensation shall be based on the last two years of covered employment.

“Covered Employment” – All service performed for the Fire Department of the City for which an employee is compensated while classified by the Fire Department as an employee performing services as a firefighter (without regard to any retroactive reclassification).

“Effective Date” – February 1, 2013.

“Employee” - Any officer or employee of the Fire Department of the City employed by the City of St. Louis for the duty of fighting fires.

“Grandfathered Participant” – A Participant who was employed on the day before the Effective Date and whose benefit accrued under the Prior Plan was frozen as of the Effective Date.

“Participant” – An Employee hired on or after the Effective Date and an employee who was employed on the day before the Effective Date and whose benefit accrued under the Prior Plan was frozen as of the Effective Date, either of whom shall have become entitled to participate in this Plan and who continues to have rights to benefits under this Plan or whose beneficiaries may be eligible to receive benefits under this Plan.

“Plan” – the Firefighters’ Retirement Plan of the City of St. Louis.

“Widow(er)” – The spouse or surviving domestic partner of a Participant at the time of their death.

Membership

Your participation in the Firefighters’ Retirement Plan of the City of St. Louis becomes effective the day you become employed in Covered Employment. A Grandfathered Participant is eligible to begin participation as of the Effective Date. (Section 4.19.020)

Contributions to the Plan

If you are a Grandfathered Participant with at least 20 years of service as of the Effective Date, you will contribute 8% of your bi-weekly pay to the Firefighters’ Retirement Plan. If you have less than 20 years of service as of February 1, 2013, your contribution to the Plan will be 9%. If you are in this latter category, your contributions will be treated as employer before tax contributions. An account is established in your name at the time you become a Participant of the Plan and your bi-weekly contributions accumulate in this account until you retire, resign or are terminated. (Section 4.19.030 B) NOTE: You do not make contributions to Social Security but you do make contributions for Medicare.

Refunds of Contributions

If you terminate your employment with the St. Louis Fire Department before becoming eligible to receive a retirement benefit and request a refund of your contributions, you will be eligible to receive your contributions, plus interest (see “interest earnings”). Contributions to the Plan by a Participant hired after the Effective Date are refundable with interest to a Participant who terminates employment before completing 10 years of service; and to a Participant hired after the Effective Date who terminates employment before attaining age 55 and elects a refund of contributions in lieu of a pension benefit. A Grandfathered Participant who terminates employment before completing 20 years of service will receive a refund of contributions plus interest.

Contributions to the Plan made on or after the Effective Date are not refundable to a Participant who receives a service retirement benefit, ordinary disability benefit or a service connected disability benefit; except that contributions to the Plan by a Grandfathered Participant with at least 20 years of service as of the Effective Date who receives a service retirement benefit are refundable without interest. (Section 4.19.060 C & D) (Any Participant who is eligible to receive a service retirement benefit, ordinary disability benefit or a service connected disability benefit will receive their contributions made to the FRS before the Effective Date without interest.)

A refund of contributions by a Participant with fewer than 20 years of service as of the Effective Date is taxable income; and a lump sum payment of interest on contributions made by a Participant with at least 20 years of service as of the Effective Date is taxable income. A taxable lump sum distribution received before age 50 may be subject to an additional 10% excise tax, unless it is rolled over tax-free to an IRA or other qualified plan.

Interest Earnings

Interest is credited to your account at the beginning of each Plan fiscal year based upon the rate as determined by the Board of Trustees.

City Contributions

Each fiscal year the City of St. Louis is required to make a contribution to the Plan. This contribution is an actuarially determined percentage of the total payroll of all active Participants of the St. Louis Fire Department. The City's contributions are used to pay all benefits not funded by Participant contributions. (Section 4.19.120)

ELIGIBILITY AND CREDITED SERVICE

Military Service Credit

If you serve in the armed forces during a war or a period of armed hostilities you will earn years of service as if your service on the Fire Department had not been interrupted as long as your return to the Fire Department not less than 90 days after your discharge from the military. (Section 4.19.040 C)

Break In Service

If you terminate employment with the St. Louis Fire Department and later return to work for the Fire Department, your eligibility for retirement benefits will start with your new employment date.

Retirement Benefit

Participants are eligible for a full unreduced pension benefit after twenty years of service and upon reaching the normal retirement age of 55. A Participant who has twenty years of service but has not yet reached the age of 55 may elect an early retirement with the

normal retirement benefit deferred until reaching the age of 55. In lieu of a deferred retirement benefit the participant may elect to receive his retirement benefit beginning on his early retirement date or on the first day of any month thereafter prior to reaching age 55 with such benefit actuarially reduced from age 55. For Grandfathered Participants, only that portion of your retirement benefit based on years of service incurred after the Effective Date of the new Plan is actuarially reduced. The early retirement benefit of a Grandfathered Participant with at least 20 years of service as of the Effective Date is not reduced. Retirement benefits cease to increase over 75% with the exception of your sick leave options, if any.

A new Participant (hired on or after the Effective Date) who terminates employment after completing 10 years of service, but before completing 20 years of service, is eligible for a full unreduced pension beginning at age of 62. Such a Participant may elect to receive a refund of his or her contributions, plus interest, in lieu of a pension benefit.

Your normal retirement benefit is determined by your Average Final Monthly Compensation. Average Final Monthly Compensation is the monthly average compensation over your last five years. For Grandfathered Participants, the monthly average compensation is based on your last two years. (Section 4.19.020 F)

Example: New Participants (hired on or after the Effective Date)

1 st Year	\$56,000
2 nd Year	\$57,500
3 rd Year	\$59,000
4 th Year	\$60,500
5 th Year	<u>\$62,000</u>

$$\$295,000 / 5 \text{ yrs} = \$59,000 / 12 = \$4,916.67$$

Years of Service is the amount of time you worked in Covered Employment and contributed to the Plan. Your time is then converted to a percentage:

20 years of service	40%	25 years of service	50%
30 years of service	62.5%	35 years of service	75% (maximum benefit)

Calculation: If you have 35 years of service and your average final monthly compensation is \$4,916.67 you would calculate your benefit in the following manner:

$$\$4,916.67 \times 75\% = \$3,687.50 \text{ (Your monthly retirement benefit)}$$

If you elect early retirement and wish to receive your benefit prior to reaching the age of 55, this monthly benefit amount is actuarially reduced. (See early retirement equivalent reduction schedule on page 16.)

From above example: If you have 35 years of service and opt for early retirement at the age of 53 then your benefit would be calculated as follows:

$$\$4,916.67 \times 75\% \times 0.8393 = \underline{\$3,094.92 \text{ (Your monthly retirement benefit)}}$$

Example: Grandfathered Participants (hired before Effective Date)

<u>1st Year</u>	<u>\$60,500</u>
<u>2nd Year</u>	<u>\$62,000</u>

$$\$122,500 / 2 \text{ yrs} = \$61,250 / 12 = \$5,104.17$$

Years of Service is the amount of time you worked in Covered Employment and contributed to the Plan. Your time is then converted to a percentage:

20 years of service	40%	25 years of service	50%
30 years of service	75% (maximum benefit)		

Calculation: If you have 30 years of service and your average final monthly compensation is \$5,104.17 you would calculate your benefit in the following manner:

$$\$5,104.17 \times 75\% = \$3,828.13 \text{ (Your monthly retirement benefit)}$$

Note: Benefit payments will be split between prior plan and new plan based on salary and years of service accrued prior to the Effective Date.

Example: Grandfathered Participants with fewer than 20 yrs. as of the Effective Date – Early Retirement Benefit

<u>1st Year</u>	<u>\$60,500</u>
<u>2nd Year</u>	<u>\$62,000</u>

$$\$122,500 / 2 \text{ yrs} = \$61,250 / 12 = \$5,104.17$$

Your Years of Service is then converted to a percentage:

20 years of service	40%	25 years of service	50%
30 years of service	75% (maximum benefit)		

Calculation: If you have 30 years of service (19 under previous plan and 11 under new plan) and your average final monthly compensation is \$5,104.17 you would calculate your benefit in the following manner:

$$\$5,104.17 \times 75\% = \$3,828.13 \text{ (Your monthly retirement benefit)}$$

However, if you elect early retirement and wish to receive your benefit before reaching the age of 55, the portion of your retirement benefit based on years of service after the

Effective Date is actuarially reduced (see early retirement equivalent reduction schedule on page 16).

From above example: If you have 30 years of service (19 under previous plan and 11 under new plan) and opt for early retirement at the age of 53 then your benefit would be calculated as follows:

$$\begin{array}{rcll} \$5,104.17 \times 38\% & = & \$1,939.58 & \text{(19 years of service)} \\ \$5,104.17 \times 37\% \times 0.8393 & = & \$1,585.05 & \text{(final 11 years of service actuarially} \\ & & & \text{reduced from age 55)} \\ & & \$3,524.63 & \text{(Your monthly retirement benefit)} \end{array}$$

Note: Benefit payments will be split between prior plan and new plan based on salary and years of service accrued prior to the Effective Date.

Sick Leave Benefit (Grandfathered Participants Only)

Sick Leave is a benefit that can be received in one of three different ways. (Section 4.19.060) Participants must elect one of the following options at the time of retirement: (Note that the use of sick leave for purposes of computing additional pension benefits is limited to that sick leave accumulated under the FRS that remains unused and available at retirement.)

1. Participants retiring on a service retirement shall be credited with the Participant's unused sick leave as certified by the City of St. Louis Fire Department. Accumulated sick leave allows a Participant to vest in the system and allows a Participant to exceed the seventy five percent service retirement by adding sick leave to no more than thirty years of years of service.
2. A Participant participating in the DROP program who retires may elect to have placed in the Participant's DROP account a dollar amount equal to the number of their accumulated sick leave hours multiplied by the hourly rate of pay at retirement; provided the Participant made a similar election under the FRS.
3. A Participant participating in the DROP program who retires may elect to have one half of the dollar amount placed in the Participant's DROP account, one fourth added to the Participant's average final compensation and the remaining one fourth of the dollar amount converted to years of service and added to the Participant's years of service; provided the Participant made a similar election under the FRS.

Firefighter's Retirement Sick Leave Calculation Worksheet

A. Participant Information

Name	John Firefighter
Date of Birth	1/2/1962
Last Day On	2/1/2017
Pre-DROP Values:	
Creditable Service	29 years 4 months
Benefit Percentage	71.66
Monthly Benefit when Left DROP	\$4,283.37
Post-DROP Values:	
Credited Service	0 Years
Benefit Percentage	0.00
Sick Leave Hours	2,801
Final Hourly Pay rate	26.551
Total Final Two-year Pay	\$141,804.71
Total Credited Service	29.33

B. Calculation – Monthly Benefit if Sick Leave is Taken as 100% Lump Sum

Benefit: (Total of pre and post DROP amounts + COLAS) \$4,283.87

Lump Sum Sick Leave Amount:
(Total of sick leave amount x hourly rate) \$74,369.35

C. Calculations – Monthly Benefit if Sick Leave is Taken as 100% Service

Benefit Before Sick Leave Service \$4,283.87

Service From Sick Leave – Roundup (SL(hrs) /240) /12
(Sick leave hours divided by the assumed hours in a month
(240) rounded up to the nearest month and then annualized) 1 year

Total Service With Sick Leave 30.33

Benefit Percentage From Sick Leave 5%

Benefit with Sick Leave As Service \$4,579.30

D. Calculation – Monthly Benefit if Sick Leave is Taken as 50/25/25

Benefit Before Sick Leave Service	\$4,283.87
Service from Sick Leave – Roundup $(1/4 * SL(\text{hrs}) / 240) / 12^{**}$ ** One Quarter of the sick leave hours divided by the assumed hours in a month (240) rounded up to the nearest month then annualized)	0.250
Total Service with Sick Leave (Original Service of 29.333 + Sick Leave Service of 0.25)	29.583
Addition to Benefit Percentage from Sick Leave as Service (Illustration: $0.25 \times 5\%$ multiplier)	1.25%
Addition to Two Year Average Pay from Sick Leave $(1/4) * SL(\$) / (24)$ One quarter of the sick leave dollar value divided by 24 months (Illustration: $(0.25 \times (2,801 \times 26.551) / 24)$ (\$774.68
Benefit Before Sick Leave	\$4,283.87
Plus:	
25% to Credited Service ($1.25\% \times \$141,804.71 / 24$)	73.86
25% to Final Average Comp. Benefit $((71.667\% + 1.25\%) \times \$774.68)$	<u>\$564.87</u>
Total Benefit After Sick Leave 50/25/25	\$4,922.60
Plus 50% Sick Leave Added to DROP in Lump Sum (One half of the sick leave dollar value)	\$37,184.68

The benefit will be split between the FRS and the Plan in proportion to the service attributable to each plan.

Retirement Benefit Rate Charts

The following charts show the percentage rates for the years of service to be used in calculating a benefit for participants hired before the Effective Date, (“Grandfathered Participants”), and for new participants hired on or after the Effective Date. A third chart contains the early retirement reduction factors to be applied to the normal benefit should a participant choose to receive their retirement benefit before reaching the age of 55. (Note that the actuarial reduction for Grandfathered Participants applies only to those with less than 20 years of service as of the Effective Date and the reduction factor is applied only to benefits earned after that date.)

PERCENTAGE TO BE APPLIED TO AVERAGE FINAL COMPENSATION
IN DETERMINING RETIREMENT ALLOWANCE FOR PARTICIPANTS HIRED BEFORE NEW PLAN EFFECTIVE DATE (GRANDFATHERED PARTICIPANTS)
(BASED ON SERVICE ROUNDED TO NEXT HIGHER MONTH)

YEARS	MONTHS											
	0	1	2	3	4	5	6	7	8	9	10	11
0	0.0000	0.0017	0.0033	0.0050	0.0067	0.0083	0.0100	0.0117	0.0133	0.0150	0.0167	0.0183
1	0.0200	0.0217	0.0233	0.0250	0.0267	0.0283	0.0300	0.0317	0.0333	0.0350	0.0367	0.0383
2	0.0400	0.0417	0.0433	0.0450	0.0467	0.0483	0.0500	0.0517	0.0533	0.0550	0.0567	0.0583
3	0.0600	0.0617	0.0633	0.0650	0.0667	0.0683	0.0700	0.0717	0.0733	0.0750	0.0767	0.0783
4	0.0800	0.0817	0.0833	0.0850	0.0867	0.0883	0.0900	0.0917	0.0933	0.0950	0.0967	0.0983
5	0.1000	0.1017	0.1033	0.1050	0.1067	0.1083	0.1100	0.1117	0.1133	0.1150	0.1167	0.1183
6	0.1200	0.1217	0.1233	0.1250	0.1267	0.1283	0.1300	0.1317	0.1333	0.1350	0.1367	0.1383
7	0.1400	0.1417	0.1433	0.1450	0.1467	0.1483	0.1500	0.1517	0.1533	0.1550	0.1567	0.1583
8	0.1600	0.1617	0.1633	0.1650	0.1667	0.1683	0.1700	0.1717	0.1733	0.1750	0.1767	0.1783
9	0.1800	0.1817	0.1833	0.1850	0.1867	0.1883	0.1900	0.1917	0.1933	0.1950	0.1967	0.1983
10	0.2000	0.2017	0.2033	0.2050	0.2067	0.2083	0.2100	0.2117	0.2133	0.2150	0.2167	0.2183
11	0.2200	0.2217	0.2233	0.2250	0.2267	0.2283	0.2300	0.2317	0.2333	0.2350	0.2367	0.2383
12	0.2400	0.2417	0.2433	0.2450	0.2467	0.2483	0.2500	0.2517	0.2533	0.2550	0.2567	0.2583
13	0.2600	0.2617	0.2633	0.2650	0.2667	0.2683	0.2700	0.2717	0.2733	0.2750	0.2767	0.2783
14	0.2800	0.2817	0.2833	0.2850	0.2867	0.2883	0.2900	0.2917	0.2933	0.2950	0.2967	0.2983
15	0.3000	0.3017	0.3033	0.3050	0.3067	0.3083	0.3100	0.3117	0.3133	0.3150	0.3167	0.3183
16	0.3200	0.3217	0.3233	0.3250	0.3267	0.3283	0.3300	0.3317	0.3333	0.3350	0.3367	0.3383
17	0.3400	0.3417	0.3433	0.3450	0.3467	0.3483	0.3500	0.3517	0.3533	0.3550	0.3567	0.3583
18	0.3600	0.3617	0.3633	0.3650	0.3667	0.3683	0.3700	0.3717	0.3733	0.3750	0.3767	0.3783
19	0.3800	0.3817	0.3833	0.3850	0.3867	0.3883	0.3900	0.3917	0.3933	0.3950	0.3967	0.3983
20	0.4000	0.4017	0.4033	0.4050	0.4067	0.4083	0.4100	0.4117	0.4133	0.4150	0.4167	0.4183
21	0.4200	0.4217	0.4233	0.4250	0.4267	0.4283	0.4300	0.4317	0.4333	0.4350	0.4367	0.4383
22	0.4400	0.4417	0.4433	0.4450	0.4467	0.4483	0.4500	0.4517	0.4533	0.4550	0.4567	0.4583
23	0.4600	0.4617	0.4633	0.4650	0.4667	0.4683	0.4700	0.4717	0.4733	0.4750	0.4767	0.4783
24	0.4800	0.4817	0.4833	0.4850	0.4867	0.4883	0.4900	0.4917	0.4933	0.4950	0.4967	0.4983
25	0.5000	0.5042	0.5083	0.5125	0.5167	0.5208	0.5250	0.5292	0.5333	0.5375	0.5417	0.5458
26	0.5500	0.5542	0.5583	0.5625	0.5667	0.5708	0.5750	0.5792	0.5833	0.5875	0.5917	0.5958
27	0.6000	0.6042	0.6083	0.6125	0.6167	0.6208	0.6250	0.6292	0.6333	0.6375	0.6417	0.6458
28	0.6500	0.6542	0.6583	0.6625	0.6667	0.6708	0.6750	0.6792	0.6833	0.6875	0.6917	0.6958
29	0.7000	0.7042	0.7083	0.7125	0.7167	0.7208	0.7250	0.7292	0.7333	0.7375	0.7417	0.7458
30	0.7500											

PERCENTAGE TO BE APPLIED TO AVERAGE FINAL COMPENSATION
IN DETERMINING RETIREMENT ALLOWANCE FOR PARTICIPANTS HIRED AFTER NEW PLAN EFFECTIVE DATE
(BASED ON SERVICE ROUNDED TO NEXT HIGHER MONTH)

YEARS	MONTHS										
0	1	2	3	4	5	6	7	8	9	10	11
0	0.0000	0.0017	0.0033	0.0050	0.0067	0.0083	0.0100	0.0117	0.0133	0.0150	0.0167
1	0.0200	0.0217	0.0233	0.0250	0.0267	0.0283	0.0300	0.0317	0.0333	0.0350	0.0367
2	0.0400	0.0417	0.0433	0.0450	0.0467	0.0483	0.0500	0.0517	0.0533	0.0550	0.0567
3	0.0600	0.0617	0.0633	0.0650	0.0667	0.0683	0.0700	0.0717	0.0733	0.0750	0.0767
4	0.0800	0.0817	0.0833	0.0850	0.0867	0.0883	0.0900	0.0917	0.0933	0.0950	0.0967
5	0.1000	0.1017	0.1033	0.1050	0.1067	0.1083	0.1100	0.1117	0.1133	0.1150	0.1167
6	0.1200	0.1217	0.1233	0.1250	0.1267	0.1283	0.1300	0.1317	0.1333	0.1350	0.1367
7	0.1400	0.1417	0.1433	0.1450	0.1467	0.1483	0.1500	0.1517	0.1533	0.1550	0.1567
8	0.1600	0.1617	0.1633	0.1650	0.1667	0.1683	0.1700	0.1717	0.1733	0.1750	0.1767
9	0.1800	0.1817	0.1833	0.1850	0.1867	0.1883	0.1900	0.1917	0.1933	0.1950	0.1967
10	0.2000	0.2017	0.2033	0.2050	0.2067	0.2083	0.2100	0.2117	0.2133	0.2150	0.2167
11	0.2200	0.2217	0.2233	0.2250	0.2267	0.2283	0.2300	0.2317	0.2333	0.2350	0.2367
12	0.2400	0.2417	0.2433	0.2450	0.2467	0.2483	0.2500	0.2517	0.2533	0.2550	0.2567
13	0.2600	0.2617	0.2633	0.2650	0.2667	0.2683	0.2700	0.2717	0.2733	0.2750	0.2767
14	0.2800	0.2817	0.2833	0.2850	0.2867	0.2883	0.2900	0.2917	0.2933	0.2950	0.2967
15	0.3000	0.3017	0.3033	0.3050	0.3067	0.3083	0.3100	0.3117	0.3133	0.3150	0.3167
16	0.3200	0.3217	0.3233	0.3250	0.3267	0.3283	0.3300	0.3317	0.3333	0.3350	0.3367
17	0.3400	0.3417	0.3433	0.3450	0.3467	0.3483	0.3500	0.3517	0.3533	0.3550	0.3567
18	0.3600	0.3617	0.3633	0.3650	0.3667	0.3683	0.3700	0.3717	0.3733	0.3750	0.3767
19	0.3800	0.3817	0.3833	0.3850	0.3867	0.3883	0.3900	0.3917	0.3933	0.3950	0.3967
20	0.4000	0.4017	0.4033	0.4050	0.4067	0.4083	0.4100	0.4117	0.4133	0.4150	0.4167
21	0.4200	0.4217	0.4233	0.4250	0.4267	0.4283	0.4300	0.4317	0.4333	0.4350	0.4367
22	0.4400	0.4417	0.4433	0.4450	0.4467	0.4483	0.4500	0.4517	0.4533	0.4550	0.4567
23	0.4600	0.4617	0.4633	0.4650	0.4667	0.4683	0.4700	0.4717	0.4733	0.4750	0.4767
24	0.4800	0.4817	0.4833	0.4850	0.4867	0.4883	0.4900	0.4917	0.4933	0.4950	0.4967
25	0.5000	0.5021	0.5042	0.5063	0.5083	0.5104	0.5125	0.5146	0.5167	0.5188	0.5208
26	0.5250	0.5271	0.5292	0.5313	0.5333	0.5354	0.5375	0.5396	0.5417	0.5438	0.5458
27	0.5500	0.5521	0.5542	0.5563	0.5583	0.5604	0.5625	0.5646	0.5667	0.5688	0.5708
28	0.5750	0.5771	0.5792	0.5813	0.5833	0.5854	0.5875	0.5896	0.5917	0.5938	0.5958
29	0.6000	0.6021	0.6042	0.6063	0.6083	0.6104	0.6125	0.6146	0.6167	0.6188	0.6208
30	0.6250	0.6271	0.6292	0.6313	0.6333	0.6354	0.6375	0.6396	0.6417	0.6438	0.6458
31	0.6500	0.6521	0.6542	0.6563	0.6583	0.6604	0.6625	0.6646	0.6667	0.6688	0.6708
32	0.6750	0.6771	0.6792	0.6813	0.6833	0.6854	0.6875	0.6896	0.6917	0.6938	0.6958
33	0.7000	0.7021	0.7042	0.7063	0.7083	0.7104	0.7125	0.7146	0.7167	0.7188	0.7208
34	0.7250	0.7271	0.7292	0.7313	0.7333	0.7354	0.7375	0.7396	0.7417	0.7438	0.7458
35	0.7500										

THE FIREFIGHTERS' RETIREMENT PLAN OF THE CITY OF ST. LOUIS

True Actuarially Equivalent Early Retirement Reduction Factors Assuming Age 55 Normal Retirement Age

Age in Years	Age in Months											
	0	1	2	3	4	5	6	7	8	9	10	11
45	0.4304	0.4334	0.4365	0.4395	0.4425	0.4456	0.4486	0.4516	0.4547	0.4577	0.4607	0.4638
46	0.4668	0.4701	0.4734	0.4768	0.4801	0.4834	0.4867	0.4900	0.4933	0.4967	0.5000	0.5033
47	0.5066	0.5102	0.5139	0.5175	0.5211	0.5247	0.5284	0.5320	0.5356	0.5392	0.5429	0.5465
48	0.5501	0.5541	0.5580	0.5620	0.5660	0.5699	0.5739	0.5779	0.5818	0.5858	0.5898	0.5937
49	0.5977	0.6020	0.6064	0.6107	0.6151	0.6194	0.6238	0.6281	0.6324	0.6368	0.6411	0.6455
50	0.6498	0.6546	0.6594	0.6641	0.6689	0.6737	0.6785	0.6832	0.6880	0.6928	0.6976	0.7023
51	0.7071	0.7123	0.7176	0.7228	0.7281	0.7333	0.7386	0.7438	0.7490	0.7543	0.7595	0.7648
52	0.7700	0.7758	0.7816	0.7873	0.7931	0.7989	0.8047	0.8104	0.8162	0.8220	0.8278	0.8335
53	0.8393	0.8457	0.8520	0.8584	0.8647	0.8711	0.8775	0.8838	0.8902	0.8965	0.9029	0.9092
54	0.9156	0.9226	0.9297	0.9367	0.9437	0.9508	0.9578	0.9648	0.9719	0.9789	0.9859	0.9930
55	1.0000											

The Segal Company

Interest Rate: 7.625%

Mortality Table: RP 2000 Male Combined Healthy Projected 15 years with Scale AA

August 3, 2012

Cost of Living Adjustments (COLAS)

All retired Grandfathered Participants who retire before November 1st of each year are entitled to receive a cost of living adjustment (COLA) on October 1st of each year based upon the Consumer Price Index (CPI) for the past twelve (12) month period as set forth by the Board of Trustees based upon years of service as follows:

Participants hired before the Effective Date of the new plan receive the following:

1-24 years of service -	1 ½ %
25-29 years of service -	2 ¼ %
30 years of service -	3%
All Retirees over age 60 -	5% or CPI to max of 25%

Participants hired before the Effective Date will receive their applicable COLA only if the COLA is equal to or lower than the CPI as determined by the Actuary. If the Participant's COLA is higher than the CPI the Participant will only receive what the CPI actually is. Any amounts in the CPI over the allowance set forth above will be "banked" in an account for each Participant to be used if needed in future years.

A Participants hired before the Effective Date who is over 60 at the time of retirement will receive the actual CPI or 5% (in the CPI is over 5%) until he or she reaches the maximum of 25% in total COLAS. Then the retiree Participant is eligible for the SHARE program, if any.

Participants hired on or after the Effective Date who retire and receive a retirement benefit will receive annual cost of living adjustments equal to the lesser of 3% or the increase in the consumer price index for the previous calendar year up to a maximum aggregate increase of twenty-five percent.

Share Program for Retirees and Dependents (Grandfathered Participants Only)

Retirees and Grandfathered Participants who do not receive a COLA (because they have reached their maximum cost of living allowances), widows and dependents are eligible for a share portion or "ad hoc COLA." Said benefits will be calculated, funded and paid in the same manner as required under the previous plan. The Payment of a share or ad hoc COLA is only made and calculated if the Plan has a positive return on investments and sufficient funds remain from the Future Benefits Fund created under the prior plan for the fiscal year ending September 30th to pay said benefits. The Plan's Actuary determines the amounts of the ad hoc COLA and payments are paid on the Participant's December pension check.

Share Program Codes

The Participant's share portion is based upon his years of service at retirement:

30 years of service -	1 Share
25-29 years of service -	$\frac{3}{4}$ Share
1-24 years of service -	$\frac{1}{2}$ Share

Widows' and dependents' share portion is based upon the Participant's years of service at retirement:

30 years of service -	$\frac{1}{2}$ Share
25-29 years of service -	$\frac{3}{8}$ Share
1-24 years of service -	$\frac{1}{4}$ Share

As an example, if a share is worth \$1,000, the 30 year Participant would receive \$1,000, the 25-29 year Participant would receive \$750, the 1-24 year Participant \$500, Widow or dependent of 30 year \$500, \$375 and \$250 accordingly.

Resignation or Termination

If you terminate employment with the City of St. Louis Fire Department before you have earned ten years of continuous service, you will not be eligible for a retirement benefit, however, you will be able to withdraw your contributions and any interest you have earned regardless of your hire date before or after February 1, 2013. (Section 4.19.050 D) To apply for a withdrawal, you should contact the Plan Administrator and complete a withdrawal of contribution form and rollover option form. If you have completed as least ten but fewer than 20 years of service upon termination, then you shall be entitled to monthly retirement income calculated as for a normal retirement and payable upon reaching the age of 62. Alternatively, you may elect to receive a full refund of accumulated contributions with interest in lieu of any deferred pension benefit. (Section 4.19.050 C)

A Grandfathered Participant must complete at least 20 years of service to be eligible for a retirement benefit.

The Retirement System is required to withhold federal and state taxes on the taxable portion of your contributions unless you roll it over into an IRA or qualified plan.

If you withdraw your contributions and at a later date are re-hired by the Fire Department you will be considered a new Participant in the Plan.

Service Connected Disability Retirement

You may be eligible for benefits if you become disabled while a Participant in the Retirement Plan. Your eligibility becomes effective as soon as you begin your training as a probationary firefighter. (Section 4.19.070)

If you apply for a disability you will be evaluated by physician(s) appointed by the Board of Trustees. The physician(s) must certify to the Board of Trustees that you are incapacitated for further performance of duty and that the incapacity is likely to be permanent. Once your evaluations are complete the physician(s) will make recommendations to the Board of Trustees for a final decision on your application for service connected disability.

Note that a disability that is caused by lung disease is presumed to have been incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call, unless rebutted by evidence such as (but not limited to) habitual smoking.

If your application is approved, you will receive a disability benefit based on the type of service connected disability described below:

Disability That Prevents Work In Any Occupation: A Participant who incurs a termination of employment because of a total and permanent disability resulting from bodily injury incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call that renders the Participant totally and permanently unable to engage in any gainful employment in any occupation shall be entitled to receive a monthly disability income equal to seventy-five (75) percent of his/her Average Final compensation while so disabled.

Disability That Prevents Work As A Firefighter But Not Other Occupations: A Participant who incurs a termination of employment because of a total and permanent disability resulting from bodily injury incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call that renders the Participant totally and permanently unable to continue employment as a firefighter but not other gainful employment shall be entitled to receive a monthly disability as follows:

25% of Average Final Compensation plus 2.75% for each year of service in excess of ten (10) years up to twenty-five (25) years, up to a total benefit of 75% of AFC with at least twenty-five (25) years of service.

A Participant receiving a disability benefit for a disability that prevents work as a firefighter but not other occupations may also elect to receive tuition reimbursement for a period of up to five (5) years for expenses related to attending a college, university, community college or vocational or technical school. The Participant must be continually enrolled as a full time student (minimum of 12 hours per semester) and

provide proof of achievement of a minimum grade point average of two (2) on a four (4) point scale. (Section 4.19.070 H)

If you are a Participant in the DROP program and subsequently apply for and are granted a service connected disability benefit you forfeit all rights, claims or interest in your DROP account. (Section 4.19.060E)

If you are granted a service connected disability the Board of Trustees can require you to undergo a medical examination once each year for five (5) years and once in every three (3) year period thereafter. If you refuse to submit to this physical examination your benefit can be revoked. (Section 4.19.070 F)

If you are granted a service connected disability you may engage in other employment but you cannot earn more than 100% of the current rate of pay for your rank at the time of retirement (this amount includes your disability benefit.) (Section 4.19.070 G) You will be required to submit a copy of your annual federal income tax return to the Board of Trustees for each calendar year for which you are eligible for a disability benefit so that the level of other income can be verified. (Section 4.19.070 G)

If your application for service connected disability is denied you may appeal the decision of the Board of Trustees. You must file your appeal in writing to the Board of Trustees at the Plan's Office within thirty (30) days of the decision.

If you apply for a service connected disability you may be denied based on the recommendations of the physicians that your disability is permanent but not job related. You may file an appeal of this ruling also in writing to the Board of Trustees at the Plan's office within thirty (30) days of the decision.

Ordinary Disability Retirement

You can apply for an ordinary disability retirement if you have five (5) or more years of years of service. An ordinary disability means you have been found to be totally and permanently unable to engage in any gainful employment in any occupation, but not due to a job related accident. (Section 4.19.070 C) After you apply for ordinary disability you will be evaluated by physicians as appointed by the Board of Trustees. The physician(s) must certify to the Board of Trustees that you are incapacitated for further gainful employment and that the incapacity is likely to be permanent. Once your evaluations are complete the physician(s) will make recommendations to the Board of Trustees for a final decision on your application for ordinary disability.

If you have twenty (20) years of service when you are granted an ordinary disability your benefit will be the same as if you had retired on a regular service retirement. If you have less than twenty (20) years of service you will receive 90% of a regular service retirement or 25% of your average final compensation, whichever is greater. (Section 4.19.070 C)

Example (Participant has 8 years 11 months of service = .1783 credit):

Accumulated Salary (5 years) = \$244,500.00

Average 5 year (AS divided by 5 yr.) = \$ 48,900.00

AF Monthly (Divided by 12 months) = \$ 4,075.00

\$4,075.00 x 25% = \$1,018.75 = \$ 1,018.75

\$4,075.00 x .1783 (yos %) = \$726.57 x 90% = \$ 653.92

Member would receive \$1,018.75 as a monthly ordinary disability benefit because it is the greater. Note for Grandfathered Participants, the average final compensation is based on a two year period.

Cost of Living Adjustments (COLA) For Disability

A Participant who incurred a disability while engaged in the actual performance of duty as a firefighter in response to an emergency call that rendered the Participant unable to engage in any gainful employment in any occupation will receive a COLA each October after commencement of disability payments of:

3% per year for each year up to age 60; and

5% per year for 5 years after age 60 up to a total of 25%.

Participants will receive their applicable COLA only if the COLA is equal to or lower than the CPI as determined by the Board of Trustees. If the Participant's COLA is higher than the CPI the Participant will only receive what the CPI actually is. Any amounts in the CPI over the allowance set forth above will be "banked" in an account for each Participant to be used if needed in future years.

A Participant who becomes eligible for any other disability benefit will receive a cost of living adjustment on October 1st of each year equal to the lesser of 3% or the Consumer Price Index (CPI) for the past twelve month period as set forth by the Board of Trustees, up to a maximum of 25%.

Offset of Benefits – Workers' Compensation Payments

Any amounts paid by the City under the Workers' Compensation Law of the State of Missouri to a participant or to the dependents of a participant on account of any disability or death shall be offset against and payable in lieu of any benefits payable out of the pension trust fund. (Section 4.19.110)

Deferred Retirement Option Plan “DROP” (Grandfathered Participants Only)

Any Grandfathered Participant who has twenty (20) or more years of service may elect to participate in the deferred retirement option plan, more commonly known as the DROP. (Section 4.19.060 E) This program allows you to continue working and start receiving retirement benefits into your DROP account for a period of no longer than five (5) continuous years. While you actively participate in DROP you stop earning years of service.

An example would be you had twenty-three (23) years when you entered the DROP, you stayed for five (5) years in the DROP, so therefore you have twenty-three (23) years when you complete active participation in the DROP.

Your bi-weekly contribution to the System will be reduced from 9% (or 8% if you had twenty (20) or more years of service prior to the Effective Date) to 1%. Your retirement benefit will be placed in your account monthly and any interest that is earned on your account will be credited on September 30th of each year you are actually working as a firefighter. For the five (5) years you are receiving a monthly benefit in your account you will receive the aforementioned cost of living increase on October 1st of each year. If you withdraw from the DROP prior to your five (5) year maximum you cannot re-enter the DROP at a later time.

Once your five years are over you can return to the 9% (or 8% if applicable) bi-weekly deduction which means you are now earning years of service again which allows you to increase your monthly retirement benefit if you didn't have thirty (30) years of service when you entered the DROP, or you can retire.

You can receive distributions from your DROP account only after you retire from the Fire Department. There are numerous options for distribution after retirement that are set forth in the administrative rules of the DROP.

If a Participant becomes deceased at any time while there is still a DROP account the Participant's designated beneficiary will receive the balance in the account in a lump sum. If your designated beneficiary is your spouse and your spouse elects to waive any rights or claim to your DROP their benefit under the provisions of Sections 4.19.060 to 4.19.110 will be re-calculated as if you had never been in the DROP.

If you are a Participant in the DROP program and subsequently apply for and are granted a disability benefit, you forfeit all rights, claims or interest in your DROP account. (Section 4.19.060E)

Widows Benefits

Anyone married to a firefighter or retired firefighter at the time of their death is entitled to widow's/consultant benefits in the amount of 50% of the deceased Participant's final compensation at time of retirement or \$200.00 whichever is greater. If the firefighter died on the scene of a fire as a direct and proximate cause of an accident that occurred while engaged in the actual performance of duty as a firefighter then the benefit will be increased from 50% to 62.5%.

All widows will be sent a letter explaining their benefits along with "Application for Benefits/Consultant". Widows' benefits of a service connected disability retiree are tax exempt. The application will need to be completed, notarized and returned to the Board Secretary with a copy of the Marriage License and Death Certificate before benefits can be made.

Dependent Benefits

The dependent children of a deceased firefighter under the age of eighteen (18) receives 10% of the average compensation in a monthly pension benefit up to the age of eighteen (18). This benefit is paid to up to three dependent children. Also benefits of 10% of average final compensation are paid for an unmarried child, regardless of age who is totally and permanently physically or mentally incapacitated from engaging in gainful employment sufficiently remunerative to support him/her self, but such additional allowance will not be paid on more than three children. (Section 4.19.080)

If no widow benefits are payable, the amount the dependent children receive is based upon the amount of children to receive benefits. Once child only would receive 25% of final compensation of the firefighter, two children would receive 12 ½% and three children would receive the 10%. This benefit will not exceed three children.

Final Payment of Dependent Benefits

Final payments are made through the month that the dependent child becomes eighteen (18) years of age unless they remain in school.

Additional Dependent Benefit in School

A deceased Participant's dependent children who remain in school after the age of 18 are eligible for continued benefits subject to the following conditions: (See Section 4.19.080 A and B(3)).

Benefits shall be paid beyond the age of eighteen (18) years through the age of twenty-five (25) years in such cases where the child is a full-time student at a regularly accredited college, business school, nursing school, school for technical or vocational

training or university, but such benefit shall cease whenever the child ceases to be a student. A college or university shall be deemed to be regularly accredited which maintains membership in good standing in a national or regional accrediting agency recognized by any state college or university. A full time student is one that is enrolled for at least twelve (12) credit hours.

Student Verification Forms are mailed each semester to be filled out and notarized by the college or university the dependent child is attending. If the forms are not returned, no benefits are paid until such time as forms are received. If a student was receiving benefits under this section but has not returned the form, benefits are stopped until such time as the proper form is completed and sent in. Payments will be made retroactive to the time when payments should have been received.

Lifetime Dependent Benefits

Benefits are paid to children of deceased firefighters for life regardless of age if they are totally and permanently mentally or physically disabled and unable to hold gainful employment sufficient to support them. No benefits are paid if the child is in an institution that is publicly funded.

Documentation

Birth certificates need to be provided to the Firefighters' Retirement Plan for dependent children of Ordinary Disability Retirees and an Application for Dependent Benefits along with a Birth Certificate and Death Certificate must be provided for all other dependent children requesting benefits.

Funeral Expense (\$2,000 Death Benefit)

Upon the death of an active or retired firefighter, the widow or (if no widow) any unmarried child under the age of eighteen (18) will receive this benefit. If there is no widow or unmarried dependent children under the age of eighteen, the Funeral Expense will be paid to the individual named on the Participant's beneficiary form. An application for Death Benefits must be completed and returned along with a copy of the Death Certificate. If a widow, a copy of the marriage certificate must be returned, if children, a copy of the birth certificate must be included when the form is returned.